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U.S. Senator Judd Gregg (R-NH)
Floor Speech on Debt, Spending and Health Care.
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Unofficial Transcript

Mr. Gregg: I rise to speak about the issue that is the topic of the day for us in Congress -- independent of the question of Afghanistan and Iraq and fighting terrorism, which is our number one concern as a nation and should be -- and that is the question of health care. Today, the Speaker of the House and the Democratic Leadership and membership of the House unveiled their plan, which is 2,000 pages long. 2,000 pages long. And they made the representation that in some way, it wasn't going to increase the deficit.

Now, this is a bill which is going to cost between $1 trillion and $2 trillion over ten years. The idea that it's not going to increase the deficit is so unbelievable just on its face that it doesn't even pass the laugh test. I mean, if you believe that, then maybe the Speaker of the House should sell you a bridge in Brooklyn, or maybe even a bridge in Oakland, for that matter. That one doesn't work, by the way. The simple fact is that when you increase the size of government by $1 trillion or $2 trillion, as this bill proposes to do, by creating a massive new entitlement called a government-forced insurance plan, there's no way you're going to be able to cut Medicare enough, as is proposed in this bill, or raise taxes enough as is proposed in this bill, to meet the costs of that program. No way is that going to happen. And so to claim that this won't add one dime to the deficit, as the President claimed he would not do when he spoke to the Congress, is just not believable.

Under this administration, we have seen a massive expansion in the debt of this nation. Now, they represent constantly that they just inherited this from the Bush administration. Yes, a fair amount of it did come over from the prior administration, but the budget that they sent here, which has a trillion dollar deficit every year for the next ten years and raises the public debt of this country from 40% of GDP to 80% of the GDP. The problem isn't the Bush budget, it's the Obama and Democratic budget. The representation was that we would go out and spend almost a trillion dollars, $800 billion, on a stimulus package and that it would create jobs. Well, what it created was debt for our children.

The numbers are starting to come in now. It was represented by this administration, in New Hampshire specifically, that there would be 16,000 jobs created in New Hampshire by the stimulus package. Well, since the stimulus package has passed, we have lost

12,000 jobs in our state, and $400 million has been spent in New Hampshire. The administration argues that the $400 million created 3,000 jobs. You have to use some pretty creative accounting to get to those 3,000 jobs. But even if you give them the benefit of the doubt, it means this has cost Americans over $130,000 per job.

And did we have that money to spend? No. We sent the bill to our children. We put it on their backs. And, in fact, almost 50% of that stimulus package is going to be spent after this recession is long over. It's going to be spent after the year 2011. And Chairman Bernanke, head of the Federal Reserve, said that the recession was over. He said that about two weeks ago. Now, granted, the pain and suffering and the difficult economic times certainly aren't over, and we do need to be concerned about that, but in 2012, 2013, 2014, 2015, even in 2019, there will still be money spent under that stimulus package, and all of it will have been borrowed. We borrowed it from our children, and they'll have to pay it back.

And then we had the Cash for Clunkers program which was allegedly going to be this great program in addition to the stimulus. Well, that's been looked at by an entirely independent group, Edmunds (edmunds.com), which is an automobile site on the web where you go and they tell you what a car's value is and they give you an independent assessment of its qualities, its pluses, and its minuses. They took a look at the Cash for Clunkers program. They said there were 690,000 vehicles that were sold during the Cash for Clunker period. They're not liberal, they're not moderate, they're just a professional group of people looking at what happens in the area of automobiles, and they concluded that only 125,000 of those cars would not have actually been purchased or sold by the dealer were the Cash for Clunker program not in place. In other words, the vast majority of the cars would have been sold; they would have been bought anyways under Edmunds' estimates. And so we spent about $3 billion to buy 125,000 cars. That works out to $24,000 per car. And who did that bill go to? That's going to our kids, too.

And now just in the last two weeks, well, almost every week around here, we hear proposals to spend money and not pay for it. A week ago, somebody from the Administration suggested we should spend $14.5 billion more by sending $250 to every Social Security recipient. Why did that come about? That came about because people were starting to realize that senior citizens were getting a little upset with the fact that under the health care proposals that have been coming forward from the Finance Committee, from the HELP Committee, and now from the House, that under these proposals, Medicare was going to be significantly reduced, and seniors were going to lose their Medicare benefits so that a new, brand-new entitlement could be created which had nothing to do with seniors and would be partially paid for with these reductions in Medicare payments. And, in fact, if you're on Medicare Advantage, under the Finance Committee bill, you can forget it—that program's gone.

Now, there are a lot of seniors in this country who have Medicare Advantage. They like it. They think it's a good way to get health care. But a significant portion of the Medicare cuts come out of Medicare Advantage, so basically that insurance benefit is wiped out. You talk about losing your insurance. You know, the President says nobody is going to lose their insurance today that has it. Nobody is going to lose it? Well, right on the face of it, when Medicare Advantage gets wiped out, every senior who is enrolled in that program is going to lose that insurance, and they're going to be moved over to standard Medicare. And for what? To pay for a new program, a new entitlement program that has nothing to do with seniors and has nothing to do with making the Medicare system more solvent. I mean, if you're going to reduce Medicare payments -- and there are adjustments we need to make in the Medicare system -- it should go towards making that system solvent. Why is that? Because the system's insolvent.

So it's inconceivable that the White House would suggest that we should add $14.5 billion of new spending to the Social Security program, which is also going to be insolvent in a few years, by providing $250 to each Social Security recipient because seniors were upset and were realizing what was going to happen to them under the Medicare cuts—and the White House wanted to give them some walking-around money. You know, it's the old Chicago way, walking-around money. You give people money, maybe they won't be upset by things. But I think most seniors understand that, sure, they'd love $250, but how does that work? When you total that all up, that's $14.5 billion of debt which is going to be given to their children and their grandchildren to pay when those grandchildren and children already are getting a massive debt that includes almost $50 trillion of unfunded liability just in Social Security and Medicare alone. And you've got to ask yourself, should we put another $14.5 billion on their backs simply to make a political statement today? Of course not. But that was proposed.

And then a week ago, it was proposed that we should do a $250 billion fix to reimburse doctors fairly. Now, doctors aren't reimbursed fairly under Medicare. They aren't. And that's sort of an interesting fact. Because if you look at all these proposals that are being talked about from the other side of the aisle, they're saying, “Oh, everybody in America will have Medicare.” Well, that's a great idea. The fact is, Medicare doesn't reimburse doctors for what their real costs are, so a lot of doctors don't want to do Medicare. And because of that problem, they proposed the $250 billion doctor fix. But, they didn't want to pay for it. I mean, that's a quarter of a trillion dollars. That's a lot of money. All that debt goes on our children's back. Our children have to pay for that. That was the proposal that came from the other side of the aisle.

Now, fortunately some folks on the other side of the aisle -- and I congratulate them -- 12 members on the other side of the aisle in the Democratic party and one Independent said, “No, no, wait a minute. Wait a minute. We're going to join the Republicans on this one.” I mean, you can't do this. This isn't right. You can't spend $250 billion on fixing the doctors' fix -- which should be fixed -- and then take that bill and just give it to your kids and your grandkids. You've got to be more responsible. Over the years, every year that we fix the doctors payments -- and we've fixed it now for seven years – and every year since 2005 we have paid for it. But this was not going to be paid for.

So these ideas of spending money and not paying for them have become fairly common around here, but the biggest item is clearly going to be this health care bill which is a brand-new entitlement representing $1 trillion to $2 trillion in new spending. And what is that money going to be used for? It's going to be used basically to create a new government-inspired insurance program to compete with the private sector in the area of supplying health care.

Well, that would be okay except for the fact that, as the Speaker of the House has said, that government plan is going to be used to save money. Well, there's only one way that a government insurance plan can save money. It has to under-price the private sector. Well, how does it do that? It uses the authority of the government to set price controls. It uses the authority of the government to control procedures that you're able to get. It uses the authority of the government to limit innovation because innovation is costly. It uses authority for price controls - controlling the access to doctors and hospitals and procedures you can get, and controlling innovation. And because of that, you inevitably deteriorate the quality of health care generally for the public.

Equally important, of course, under the scheme that's been developed that we've seen so far, although we haven't seen the specifics since they're being developed behind closed doors here on the Senate side -- now we've seen the House, although we haven't had a chance to read the 2,000-page bill -- but in the scheme as it came out of the Finance Committee, the practical effect would be that employers would be encouraged to basically drop employees from their private insurance plan and cause those employees to migrate over to the public plan. Intentionally, of course, through a whole series of activities which make it much more practical for an employer simply to not insure people but to pay a penalty instead and to put employees on the public plan.

And so there would be a natural contraction in the private insurance community because you would have a price-controlled government plan and a movement of people over to the government plan because the penalty for not insuring people is significantly less. At least in the HELP Committee bill, the penalty is significantly less than the cost of insurance and, therefore, an employer looks at it and says, “Well, it's cheaper for me to pay the penalty than insure the folks, so I’ll just pay the penalty and people can go over and get a public plan.” So they lose their insurance.

You know, 180 million people in this country have private insurance, they're fairly happy with their doctor and their health care. They may not be entirely happy with their insurance company -- most of us aren't -- but they're happy with the health care and the doctor they have. But if they're forced on to a public plan, that's going to put this bureaucrat between you and your doctor. It's going to mean, when you've got a government plan, well, you may have to call Washington to get your appointment, to see a doctor.

And it also means, as I said earlier, that in order for the public plan to work and to be cost-effective in the sense of saving money, as the Speaker of the House has said that's how she's going to save money, it has to have price control, it has to have control over access, it has to have control over innovation, all of which leads to delay and inevitably leads to a lesser quality health care system. And, of course, the goal for the other side of the aisle, we all understand that, because they've been very public about this -- there's no subtlety about it -- is to move to a single-payer system, where essentially there is only one insurer in this country, and that's essentially the government.

So the same government that brings you the swine flu program is going to deliver your health care -- how’s that for an example? We don't have to go very far to find out how the government does managing fairly large health care when it comes to the practical application of taking care of people who need assistance. All we have to do is look at what's happening in the swine flu program to recognize that the government may not necessarily -- in all instances -- do such a great job of delivering you health care.

For example, today you can't get your swine flu vaccination in most places in this country because it isn't available. And yet that's the system which a large percentage of members of the other party desire, a single-payer government system, much along the lines of what we see in places like Canada and England.

I don't think it's healthy for you. I don't think it's healthy for patients. It's certainly not healthy for our children because it means they're not only going to get a lesser health care system, they're going to get this huge bill, this massive bill which is going to come out of $1 trillion to $2 trillion increase in the cost of government.

You know, it's just hard to understand. It has to be intuitive to people and I know it is to most Americans, that if you increase the spending of the government by $1 trillion to $2 trillion -- and by our estimates this program costs $2.2 trillion -- and you cut Medicare to try to pay for that or you try to raise taxes to pay for that. It is like a dog chasing his tail, it's never going to happen. The two ends don't meet, that's called debt, and it goes to our children. And it's not appropriate to do this after we've already put so much debt on their backs -- especially in the last few months.

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